

1 THE HONORABLE RICHARD A. JONES

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7 UNITED STATES DISTRICT COURT  
8 WESTERN DISTRICT OF WASHINGTON  
9 AT SEATTLE

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11 KATHLEEN LINK and RUSSELL LINK,

12 Plaintiffs,

13 vs.

14 AMERICAN FAMILY MUTUAL  
15 INSURANCE COMPANY,

16 Defendant.

NO. 2:16-cv-01117-RAJ

ORDER

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18 **I. INTRODUCTION**

19 This matter comes before the Court on Plaintiffs Kathleen and Russell Link's  
20 motion for reconsideration of the Court's May 8, 2017 order granting a stay in the  
21 proceedings. Dkts. # 37, 28. For the reasons that follow, the Court **DENIES**  
22 Plaintiffs' motion.  
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24 **II. LEGAL STANDARD**

25 Pursuant to this Court's Local Civil Rules, "[m]otions for reconsideration are  
26 disfavored." LCR 7(h). The Court will only grant such a motion upon a "showing of

1 manifest error in the prior ruling” or “new facts or legal authority which could not  
2 have been brought to [the court’s] attention earlier with reasonable diligence.” *Id.*

### 3 **III. DISCUSSION**

4 The facts of this case are well known to the Court and the parties, and the Court  
5 will not recount them here. Plaintiffs request that the Court reconsider its order  
6 granting a stay pending the outcome of an independent proceeding in the Washington  
7 Court of Appeals, arguing that the result of that appeal will not affect the instant  
8 proceeding in this Court. The Court concluded in its previous Order that “the viability  
9 of Plaintiffs’ bad-faith claims depends on the validity of the stipulated judgment” that  
10 is now being appealed. Dkt. # 37.

13 Plaintiffs renew their argument that the Washington Court of Appeals is  
14 powerless to invalidate the settlement underlying the stipulated judgment assigning  
15 Plaintiffs the claims they bring here. In their brief opposing the stay, Plaintiffs  
16 contended that “[t]he Court [of Appeals] cannot simply ‘rescind’ the binding  
17 settlement agreement and assignment between the Wallys and Links. Even if Division  
18 I decided to overturn a Division I Judge’s reasonableness determination, the only issue  
19 impacted is the amount of damages, and that would then be decided in binding  
20 arbitration.” Dkt. # 29 at 8. Plaintiffs cited no law supporting their argument that the  
21 appellate court’s review has no bearing on the validity of the assignment of claims.  
22 Now, for the first time, Plaintiffs direct the Court’s attention to RCW 4.22.060(3),  
23 which provides:  
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1 A determination that the amount paid for a release, covenant not to sue,  
2 covenant not to enforce judgment, or similar agreement was unreasonable  
3 shall not affect the validity of the agreement between the released and  
4 releasing persons nor shall any adjustment be made in the amount paid  
5 between the parties to the agreement.

6 Given the plain text of the statute, it appears that Plaintiffs' argument is, indeed,  
7 meritorious. However, Plaintiffs have not provided an explanation for why this  
8 authority could not have been brought to the Court's attention sooner. Nor have  
9 Plaintiffs shown that the Court's discretionary issuance of a stay rises to a level of  
10 manifest error that injures them in any way. *See* Dkt # 37 at 4. Therefore, the Court's  
11 decision granting a stay will stand. But, as requested by Plaintiffs, the Court clarifies  
12 that the stay will be lifted after a decision from Division 1 of the Court of Appeals and  
13 will not be extended even in the event that the Washington Supreme Court reviews the  
14 case.

#### 15 16 **IV. CONCLUSION**

17 For all the foregoing reasons, the Court **DENIES** Plaintiffs' motion for  
18 reconsideration.  
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20 Dated this 30th day of August, 2017.

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23 The Honorable Richard A. Jones  
24 United States District Judge  
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